

(c) *How is a grant awarded?* (1) Subject to the availability of funds, the award will be documented by a Notice of Grant Award (NGA).

(2) The Corporation and the sponsoring organization are parties to the NGA. The NGA will document the sponsor's commitment to fulfill specific programmatic objectives and financial obligations. It will document the extent of the Corporation's obligation to provide assistance to the sponsor.

(d) *What happens if the Corporation rejects an application?* The Corporation will return to the applicant an application that is not approved for funding, informing the applicant of the Corporation's decision.

(e) *For what period of time does the Corporation award a grant?* The Corporation awards an RSVP grant for a specified period that is 3 years in duration with an option for a grant renewal of 3 years, if the grantee's performance and compliance with grant terms and conditions are satisfactory. The Corporation will use the Denial of Refunding procedures set forth in 45 CFR part 1206 to deny funding to a grantee when the Corporation determines that the grant should not be renewed for an additional 3 years.

(f) *What assistance in preparation for competitive award of all RSVP grants will the Corporation provide to sponsors who have previously received a grant and whose grants are expiring in fiscal year 2011, 2012, or 2013?* (1) For each grant expiring in fiscal years 2011, 2012, or 2013, the Corporation will evaluate the grant, to the maximum extent practicable, in fiscal years 2010, 2011, and 2012, respectively.

(2) The evaluation will give particular attention to the different needs of rural and urban projects, including those serving Native American communities, and will evaluate the extent to which the sponsor meets or exceeds performance measures, outcomes, and other criteria established by the Corporation.

(3) To the maximum extent practicable, the Corporation will ensure that each evaluation is conducted by a review team made up of trained individuals who are knowledgeable about RSVP, including current or former em-

ployees of the Corporation and representatives of communities served by RSVP volunteers, who will provide their input and opinions concerning each grant.

(4) The Corporation will use the evaluation findings as the basis for providing recommendations for program improvement, and for the provision of training and technical assistance.

(5) The evaluation will assess:

(i) The project's strengths and areas in need of improvement;

(ii) Whether the project has adequately addressed population and community-wide needs;

(iii) The efforts of the project to collaborate with other community-based organizations, units of government, and entities providing services to seniors, taking into account barriers to such collaboration that such programs may encounter;

(iv) The project's compliance with the program requirements for the appropriate use of Federal funds as embodied in a protocol for fiscal management;

(v) To what extent the project is in conformity with the eligibility, outreach, enrollment, and other requirements for RSVP projects; and

(vi) The extent to which the project is achieving other measures of performance developed by the Corporation, in consultation with the review team.

[76 FR 20246, Apr. 12, 2011]

§ 2553.72 What are project funding requirements?

(a) *Is non-Corporation support required?* (1) A Corporation grant may be awarded to fund up to 90 percent of the total project cost in the first year, 80 percent in the second year, and 70 percent in the third and succeeding years.

(2) A sponsor is responsible for identifying non-Corporation funds which may include in-kind contributions.

(b) *Under what circumstances does the Corporation allow less than the percentage identified in paragraph (a) of this section?* The Corporation may allow exceptions to the local support requirement identified in paragraph (a) of this section in cases of demonstrated need such as:

§ 2553.73

(1) Initial difficulties in the development of local funding sources during the first three years of operations; or

(2) An economic downturn, the occurrence of a natural disaster, or similar events in the service area that severely restrict or reduce sources of local funding support; or

(3) The unexpected discontinuation of local support from one or more sources that a project has relied on for a period of years.

(c) *May the Corporation restrict how a sponsor uses locally generated contributions in excess of the non-Corporation support required?* Whenever locally generated contributions to RSVP projects are in excess of the non-Corporation funds required (10 percent of the total cost in the first year, 20 percent in the second year and 30 percent in the third and succeeding years), the Corporation may not restrict the manner in which such contributions are expended provided such expenditures are consistent with the provisions of the Act.

(d) *Are program expenditures subject to audit?* All expenditures by the grantee of Federal and Non-Federal funds, including expenditures from excess locally generated contributions, are subject to audit by the Corporation, its Inspector General, or their authorized agents.

[64 FR 14135, Mar. 24, 1999, as amended at 67 FR 6875, Feb. 14, 2002]

§ 2553.73 What are grants management requirements?

What rules govern a sponsor's management of grants?

(a) A sponsor shall manage a grant awarded in accordance with:

(1) The Act;

(2) Regulations in this part;

(3) 45 CFR Part 2541, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments", or 45 CFR Part 2543, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations";

(4) The following OMB Circulars, as appropriate A-21, "Cost Principles for Educational Institutions", A-87, "Cost Principles for State, Local and Indian Tribal Governments", A-122, "Cost Principles for Non-Profit Organiza-

45 CFR Ch. XXV (10-1-11 Edition)

tions", and A-133, "Audits of States, Local Governments, and Other Non-Profit Organizations" (OMB circulars are available electronically at the OMB homepage www.whitehouse.gov/WH/EOP/omb); and

(5) Other applicable Corporation requirements.

(b) Project support provided under a Corporation grant shall be furnished at the lowest possible cost consistent with the effective operation of the project.

(c) Project costs for which Corporation funds are budgeted must be justified as being essential to project operation.

(d) Volunteer expense items, including transportation, meals, recognition activities and items purchased at the volunteers own expense that are not reimbursed, are not allowable as contributions to the non-Federal share of the budget.

(e) Costs of other insurance not required by program policy, but maintained by a sponsor for the general conduct of its activities are allowable with the following limitations:

(1) Types and extent of and cost of coverage are according to sound institutional and business practices;

(2) Costs of insurance or a contribution to any reserve covering the risk of loss of or damage to Government-owned property are unallowable unless the government specifically requires and approves such costs; and

(3) The cost of insurance on the lives of officers, trustees or staff is unallowable except where such insurance is part of an employee plan which is not unduly restricted.

(f) Costs to bring a sponsor into basic compliance with accessibility requirements for individuals with disabilities are not allowable costs.

(g) Payments to settle discrimination allegations, either informally through a settlement agreement or formally as a result of a decision finding discrimination, are not allowable costs.

(h) Written Corporation State Office approval/concurrence is required for a change in the approved service area.

[64 FR 14135, Mar. 24, 1999, as amended at 67 FR 6875, Feb. 14, 2002; 69 FR 20831, Apr. 19, 2004]